COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT AND INSTALL VARIOUS FACILITIES TO REINFORCE THE TRANSMISSIONS SYSTEM IN THE INEZ AND TRI-STATE AREAS	)	CASE NO. 95-403

O R D E R

IT IS ORDERED that Kentucky Power Company ("Kentucky Power") shall file an original and ten copies of the following information with this Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The information requested herein is due no later than December 15, 1995.

1. Kentucky Power has indicated that virtually all of the cost of the investment will be included in the American Electric Power Transmission and Equalization Agreement ("AEP Agreement").

Using a copy of the Capital Planning Proposal schedules (Exhibit A of the Application), indicate how much of each amount shown is not included in the AEP Agreement. Include for each amount the reason(s) for its exclusion.

2. How was estimated annual revenue impact of $2.4 million determined? Provide the calculations used to determine the estimate and include any assumptions, workpapers, and other supporting documentation.

3. Describe the current status of the following:

a. Final route determination.

b. Acquisition of rights-of-way.

c. Environmental impact statements or analyses, if required.

4. Kentucky Power has stated that the Electric Power Research Institute ("EPRI") will provide funding of $3.5 million for the installation of the Unified Power Flow Controller ("UPFC").

a. How does Kentucky Power plan to account for the EPRI funding? Provide the accounting entries and explain the accounting treatment to be used.

b. Is the UPFC installation considered a research, development, or demonstration project which may eventually be recorded on Kentucky Power's books in Account No. 130, Experimental Electric Plant Unclassified? Explain the reason(s) supporting the response.

5. Provide a map showing the portion of the proposed transmission line located in Kentucky and every structure within 200 feet of the transmission line. Also, identify by use, each structure shown.

6. Was consideration given to any alternatives other than the one discussed in your application? If yes, describe such alternatives and explain why each was rejected.

7. For each alternative considered, provide a detailed schedule of costs, a present worth analysis and one line diagram that shows the load flow on each line for a projected 1996-1997 winter peak load assuming the Culloden-Wyoming 765 KV and Baker-Broadford 765 KV lines are out.

8. Has Kentucky Power considered routing the proposed 138 KV line or a portion of it along an existing transmission line? If not, explain why this alternative was not considered.

9. Provide a graph showing the monthly peak loads for the years 1990 through 1995 for the Inez area.

10. Provide a graph showing the projected monthly loads for 1996 and 1997 for the Inez area.

11. Assume Kentucky Power decided not to install the UPFC on its system. Explain how the proposed construction would need to be modified so the transmission system in the Inez area would operate under double-contingency outage conditions. Provide the cost of the new alternative and how it was derived.

Done at Frankfort, Kentucky, this 1st day of December, 1995.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive Director